



[Xtract Resources plc](#) - XTR

Placing, issue of equity and TVR

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Xtract Resources Plc
("Xtract" or the "Company")
Equity Placing, termination of Equity Swap, Auroch loan note conversion
Total Voting Rights

The Board of Xtract Resources Plc ("Xtract" or the "Company") is pleased to announce that the Company's Broker, Beaufort Securities, has today raised up to £1,878,933 (before expenses) following the conditional placement of 10,156,398,001 new Ordinary Shares of 0.01p each ("**Ordinary Shares**") at 0.0185p ("**Placing Price**") per new Ordinary Share (the "**Placing**").

Under the Placing, the Company has today conditionally agreed to issue a total of 3,496,940,001 new Ordinary Shares at the Placing price to raise gross proceeds of £646,934, subject to the terms of a placing agreement and Admission of the new Ordinary Shares to trading on AIM ("**Tranche 1 Placing Shares**"). The Tranche 1 Placing Shares are being issued under the Company's existing share authorities.

A further 6,659,458,000 new Ordinary Shares with gross proceeds of £1,232,000 will be issued on the same terms ("**Tranche 2 Placing Shares**") but **conditional** on shareholder approval of the necessary increase in authority to issue the Tranche 2 Placing Shares. A General Meeting will be convened as soon as practicable and a further announcement will be made in due course as and when the notice convening the meeting is published.

The Company has also today accelerated the settlement of all outstanding payments due to the Company under the existing equity swap agreement previously entered into with YA II EQ Ltd ("**YA**") as announced on 3 November 2016, and will receive gross proceeds of approximately £239,575 ("the "**Swap Proceeds**") which will be used to repay an equal amount outstanding to YA under the existing Loan Note Facility (as announced on 24 October 2016). Following this acceleration, the Company has now terminated the equity swap agreement entered into with YA and the residual equity holding in the Company held by YA has now been placed with investors by Beaufort Securities.

The net proceeds from the Placing will be used by the Company to fund the completion of the Definitive Feasibility Study, extending Environmental Impact Assessment on all alluvials within the Manica project, further consolidation within the Manica Area, and for general working capital purposes. In addition, the Company is presently reviewing a number of investment opportunities to diversify its interests. In addition, as further described below, the Company will redeem part of the Auroch Convertible Loan Notes.

Colin Bird, Chairman said: "We are pleased to have completed this final leg of the financial restructuring which puts the Company back on a sound footing. We can now focus on delivering value for shareholders and are in the process

of reviewing a number of exciting new opportunities. We look forward to reporting further on current projects and new developments as soon as we are able."

Conversion of Auroch Convertible Loan Notes

As announced on 9 February 2016, the Company reached an agreement regarding the outstanding amounts owed by the Company to Auroch Exploration (Pty) Ltd ("**Auroch**") in relation to the acquisition of the Manica Gold Project and, *inter alia*, agreed to issue unsecured Convertible Loan Notes to Auroch to the total value of US\$748,136.

The Company has today issued 1,589,623,629 new ordinary shares to Auroch ("**Auroch Shares**") at an issue price of 0.0013282p (equal to a 15 per cent. discount to the VWAP during the 10 business days prior to the issue of the Convertible Loan Notes) following receipt of notice from Auroch to convert US\$200,000 of the outstanding Convertible Loan Notes, and in settlement of the Convertible Loan Note arrangement fee due of US\$50,000 and interest payable in advance of US\$13,722.

As previously announced, in the event of a fundraising by the Company, Auroch may also require that 15% of the net proceeds of the fundraising may be applied to redeem part of the Convertible Loan Notes and the Company will therefore redeem up to US\$110,000 of the Convertible Loan Notes on completion of the Placing.

Admission to Aim

Application will be made for admission of the 3,496,940,001 Tranche 1 Placing Shares and the 1,589,623,629 Auroch Shares to trading on AIM ("**Admission**"), in aggregate 5,086,563,630 new Ordinary Shares ("**New Shares**") to be admitted to trading on or around 2 March 2017. The New Shares will rank *pari passu* in all respects with the Company's existing issued ordinary shares.

Subject to approval of shareholders at the General Meeting, application will be made in due course for admission of the Tranche 2 Placing Shares which will also rank *pari passu* in all respects with the Company's existing issued ordinary shares. A further announcement will be made in due course.

Total Voting Rights

On Admission of the New Shares, the Company will have 25,043,110,119 Ordinary Shares in issue with voting rights. Xtract does not currently hold any shares in treasury. Accordingly, this figure of 25,043,110,119 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Broker Warrants

In conjunction with the Placing, the Company has issued 507,819,900 Broker warrants to Beaufort Securities Limited, exercisable in whole or in part at 0.0185p until 16 February 2019.

Other

This announcement contains inside information for the purposes of Article 7 of EU Regulation No. 596/2014 on market abuse. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Further details are available from the Company's website which details the company's project portfolio as well as a copy of this announcement: www.xtractresources.com

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